

ADVANCING WASHINGTON'S INTEREST

# Stock Market Helped By Low Rate on Money

Financial Situation Generally Is Helped by Relaxation in Money Market and in Abundance of Funds.

By W. S. COUSINS.

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NEW YORK, March 18.—The outstanding feature of the financial situation generally as the week closed is the continued relaxation in the money market, as exhibited in the extremely low rates for call and time money and the abundance of loanable funds.

Even before the heavy financial operations incident to the paying of the first quarterly instalment of the Federal income tax on Wednesday, evidences of "easy money" had begun to exhibit themselves in the financial district, but on the conclusion of this operation loaning rates fell off to the lowest point in three years for call money and in five years for time funds.

New Records Made.

It is time that the stock market continued without interruption the advance which has been smashing past records and carrying prices of speculative leaders to higher and yet higher levels: that the bond market has shown remarkable activity and has advanced above all the previous records; that the foreign exchange and wheat prices have forged ahead, and that general business is now giving promise of actually fulfilling the most sanguine predictions of business leaders. But all these factors have been introduced to it: that foreign exchange and wheat prices have forged ahead, and that general business is now giving promise of actually fulfilling the most sanguine predictions of business leaders.

There is apparently no change either in stock market sentiment or in the general tendencies in stock prices. The action of the market was simply the carrying forward of the movement, which does yet seem to have run its course, for pushing prices to higher levels. New high records are made with such frequency, both in the general level and in the performances of individual stocks that it is difficult to keep the situation in hand.

On one day of the week (Thursday) no less than thirty-four stocks made new high prices for the year, and on the following day the high record of dealings in separate issues was made. Four hundred and forty-one separate issues were traded in, compared with a previous record of 424 issues changing hands on December 30, 1930.

Market Broadens.

But the broadening of the market demonstrated not only in the number of separate issues commanding attention but also in the frequency of "million-share" days and in the buoyancy with which comparative inactive stocks reach for higher price levels. There is no doubt that the fact that the market is a highly speculative one, largely dominated by professionals and pool cliques of every variety.

Rumors of raids and corners are in constant circulation, while the large brokerage shops are anxiously awaiting the return of the outside public to the speculative mart. The biggest difficulty facing the professional speculator is that of completing his unloading process, for the value are paper profits, unless they can be converted to real cash at pleasure.

While the steel and railroad stocks have been comparatively quiet this week, the motor and utility stocks, the equipment, the industrial and the public utility issues have led in a spirited advance. A good deal of attention has been attracted to the copper and the base metal stocks, the foreign and domestic demand for copper, and the showing of greater activity in the big copper producing companies. The steel stocks have been reflecting the better prices and greater working capacity of the steel companies, and the motor stocks the tremendous increase in output of motor vehicles.

While making a spectacular showing on tabulated records, the high prior records of the specialists are not important in view of the narrow market for these shares and the paucity of public interest in them.

Bond Market.

The bond market has been influenced to some extent by the same factors that have been operating in the stock market. There are speculative bonds as well as speculative stocks, and the same factors will, of course, be found in this section of the market. But good investment bonds are sought to stay bought, and are withdrawn from the street to form a lining for the safety deposit boxes of the conservative individuals who anticipate the "rainy day."

Several large issues of foreign governments as well as foreign and domestic industrial bonds have been made this week, most of them immediately going to a premium, while the old bonds already listed on the exchange have continued to advance. The total of new bonds for the week is \$14,642,000, including \$4,000,000 Dutch East India, \$45,000,000 Sinclair Oil, \$10,000,000 American company, and \$20,000,000 Paris-Lyon railway.

The market for domestic Government bonds has remained steady, while foreign issues have steadily advanced. As our investors have learned to appreciate the attractiveness of these issues they have sought the bonds with high coupons and the steady supply of which has been considerably reduced by the recent activity in the bond market. Domestic industrial issues have displayed unusual strength, leading the advance to the high level of the year.

C. OF C. SECRETARY OUT.

WINCHESTER, Va., March 18.—Thomas Burley, Jr., tendered his resignation as executive secretary of the chamber of commerce, to accept a similar position at Morgantown, W. Va., and it is expected he will take up his new duties on Sunday. He has been secretary of the local organization since shortly after the close of the world war.

# U. S. IS PUZZLE

Ford, Rockefeller, Schwab and Baker Lead in Wall Street Contest.

By MAX KASE.

International News Service.

NEW YORK, March 18.—Wall Street has contracted its brow and is speculatively chewing at the end of a frayed pencil. A great guessing contest is on. Not concerning bears or bulls or foreign exchange or the political situation in Patagonia. Nothing so simple. Five citizens of the United States are known to have paid an income tax on a net income of \$5,000,000 a year last year. The revenue department has been appealed to for the identity of this quintet, but the revenue department is not saying. It never does. And so Wall Street is guessing.

Wall street sleuths have made some progress and have positively determined that two of the privileged five-million-dollar citizens are Michiganians, while the remaining three come from this city. Going still further with their deductions, the financial "Hawshaws" believe that the two Michiganians are Henry and Edsel are the Michigan members of the exclusive high-pay income tax clique. The elder Ford's extensive holdings are known to insure him an income well in the neighborhood of \$5,000,000. Edsel is a large shareholder in his father's company and, together with his tractor company, is believed to qualify for membership.

John D. of Course.

But when it comes to the New York members of this quintet the local "Sherlocks" have torn their hair and written their collars in their concentrated exertions and admit they are stumped. One guess is as good as another. John D. Rockefeller, Jr.; John D. Jr.; George F. Baker, Charles M. Schwab, Thomas F. Ryan, J. P. Morgan and William Rockefeller have been brought forward as most likely candidates. In fact, John D. Jr. is positively believed to be one of the three.

It is known that John D. knows his exact income. The "oil king's" railroad and banks and oil wells and mines and interests in other enterprises. Wall street has figured, must yield him the necessary income to be paid with the elite. John D. Jr. is also receiving serious consideration in view of the large transfers of property being made over to him by his father.

John D. Jr. is known, has steady income, and owns valuable properties in recent years.

George Baker Wealthy.

George F. Baker, the banker, with his large railroad interests and holdings in numerous industrial corporations, is another who may be one of the three. "G. F." is not so well known to the public at large, but he can write checks quite as large as the next one. Charles M. Schwab, with his steel holdings; J. P. Morgan, with his international bank, and William Rockefeller (the silent); Thomas F. Ryan, of copper fame—may be one of the favored three.

Those of the Wall street element who believe in a hunch declare it will be an international syndicate from Michigan and three Rockefeller from New York.

And, also, Wall street is wondering. Perhaps some unknown who has not yet flashed across the financial firmament is one of the three local members. If so, who is he? The contest is waxing hot and merry.

Canadian Coal Miners Expect to Go on Strike

Coal production from Canadian mines during 1931 totaled 15,000,000 short tons valued at \$74,778,000, an average of \$4.97 per ton. This quantity was mined during the preceding year, when the total output amounted to 15,000,000 tons.

From present indications, there will be a strike of about 9,000 miners in the western part of the Prairie Provinces, principally in Alberta, according to a report from Consul General Brittain, at Winnipeg, as the operators have submitted a new schedule of wages placing the miners back on practically the same basis as in 1931.

The mine owners of the Prairie Provinces claim that owing to the long freight haul it is exceedingly difficult for them to compete against American coal producers. The Prairie coal market, which naturally would be a good outlet for the mines in the western part of the Prairie Provinces.

Bank of Marion Lets Contract For Building

MARION, Va., March 18.—The Bank of Marion has let a contract for the erection of a new building which will occupy the entire lot at the corner of Main and Church streets. The present building will be removed and the new building of brick and stone will be constructed and completed in six months.

# Washington Stock Market

Business of 1932 up to and including Friday, March 17. Furnished by W. B. Hibbs & Co.

BONDS				
PUBLIC UTILITIES				
Sales.	Open.	High.	Low.	Close.
1,000 Annapolis & Potomac River R. R. 5's.	90	90	90	90
45,000 Capital Traction 1st 5's.	95	95 1/4	94 3/4	95
1,000 Ches. & Pot. Telephone Co. 5's.	91	91	91	91
2,000 C. & P. Telephone 1st 5's.	95	95	95	95
9,000 City & Suburban Ry. 1st 5's.	78	80	77	78
4,000 Georgetown Gas Light 1st 5's.	104 1/2	104 1/2	104 1/2	104 1/2
4,000 Metropolitan R. R. 1st 5's.	94 1/2	94 1/2	94 1/2	94 1/2
3,000 Potomac Electric Power 1st 5's.	94 1/2	94 1/2	94 1/2	94 1/2
44,000 Potomac Electric Power cons. 5's.	92 1/2	92 1/2	92 1/2	92 1/2
7,000 Potomac Electric Power deb. 5's.	99	99	99	99
10,100 Potomac Electric Power gen. 5's.	98 1/2	98 1/2	98 1/2	98 1/2
37,500 Potomac Electric Power gen. 5's.	104 1/2	104 1/2	104 1/2	104 1/2
28,000 Washington Gas 1st 5's.	104 1/2	104 1/2	104 1/2	104 1/2
47,000 Washington Gas Light gen. 5's.	88 1/2	88 1/2	88 1/2	88 1/2
75,000 Wash. Ry. & Elec. cons. 4's.	65 1/2	65 1/2	65 1/2	65 1/2
25,000 Wash. Ry. & Elec. gen. 5's.	97 1/2	97 1/2	97 1/2	97 1/2

# Deposits in D. C. Banks

As Shown by the Call of the Comptroller of the Currency as of March 10.

WASHINGTON BANKS SHOW AN INCREASE IN DEPOSITS OF OVER \$12,000,000 ON MARCH 10 AS COMPARED WITH THE LAST CALL OF THE COMPTROLLER OF THE CURRENCY ON DECEMBER 31, LAST, ACCORDING TO THE FOLLOWING TABLE COMPILED BY AUDLEY SAVAGE, OF THE NATIONAL BANKS AND TRUST COMPANY.				
NATIONAL BANKS.				
Dec. 31, '31.	Mar. 10, '32.	Gain.	Loss.	
American	\$4,077,861.25	\$4,064,112.77	\$13,748.48	
Columbia	2,685,281.39	2,631,915.99	53,365.40	
Commercial	11,231,123.74	11,231,123.74		
District	6,094,727.85	6,094,727.85		
Dupont	2,009,205.20	2,126,761.39	117,556.19	
Farmers and Mechanics	2,369,980.62	2,459,783.24	89,802.62	
Federal	4,443,254.10	4,443,254.10		
First	2,249,958.37	2,249,958.37		
Franklin	1,589,914.37	1,589,914.37		
Liberty	5,060,830.30	5,452,720.18	391,889.88	
Metropolitan	11,010,179.08	11,748,278.54	738,099.46	
National Capital	1,331,149.51	1,331,149.51		
Norfolk	1,679,148.24	2,456,548.92	777,400.68	
Riggs	3,813,365.71	4,071,738.82	258,373.11	
Seaside	7,812,813.82	7,812,813.82		
Bank of Washington	7,812,813.82	7,812,813.82		
Total	\$7,922,728.17	\$4,690,229.61	\$3,232,498.56	
SAVINGS BANKS.				
Anacostia	\$95,333.74	\$95,333.74		
Citizens	756,585.75	1,013,450.00	256,864.25	
Commerce and Savings	1,212,222.93	1,212,222.93		
Eastern Washington	898,221.00	898,221.00		
Exchange	582,371.00	582,371.00		
Labor	582,371.00	582,371.00		
Industrial	467,103.99	491,371.82	24,267.83	
McLachlen	990,450.12	1,038,283.77	47,833.65	
Merchants	2,027,874.24	2,049,981.83	22,107.59	
Mt. Vernon	1,779,148.24	1,957,157.77	178,009.53	
National Capital	934,558.23	934,558.23		
Northeast	441,977.23	531,514.45	89,537.22	
Northwest	556,108.43	623,006.25	66,897.82	
Park	2,069,872.27	2,069,872.27		
Potomac	2,577,714.19	2,577,714.19		
Security and Commerce	1,212,222.93	1,212,222.93		
Seventh Street	1,178,313.56	1,212,700.44	34,386.88	
Standard	481,021.99	495,546.66	14,524.67	
Union	1,519,842.64	1,623,990.88	104,148.24	
United States	2,069,872.27	2,069,872.27		
Washington	1,178,313.56	1,212,700.44	34,386.88	
Washington Savings	438,444.44	457,260.93	18,816.49	
Terminal Com. and Sav.	157,573.37	163,348.50	5,775.13	
Peoples Commercial	246,704.76	279,892.52	33,187.76	
Chey Chase Savings	66,787.10	104,783.97	37,996.87	
Banking Trust & Mort.	139,534.54	201,381.61	61,847.07	
Total	\$7,184,208.18	\$9,650,359.49	\$2,466,151.31	
TRUST COMPANIES.				
American Security	\$1,979,317.24	\$2,810,529.94	1,831,212.70	
Continental	2,577,714.19	2,577,714.19		
Munsey	4,306,370.80	4,373,253.62	66,882.82	
National Savings	9,885,339.79	9,823,043.24	62,296.55	
Union	5,954,136.98	6,550,956.75	596,819.77	
Washington Loan	10,484,399.60	11,262,718.90	778,319.30	
Total	\$4,668,296.43	\$7,465,848.77	\$2,797,552.34	
RECAPITULATION.				
National banks	\$7,922,728.17	\$4,690,229.61	\$3,232,498.56	
Savings banks	\$7,184,208.18	\$9,650,359.49	\$2,466,151.31	
Trust companies	\$4,668,296.43	\$7,465,848.77	\$2,797,552.34	
Total	\$19,775,232.78	\$21,806,438.87	\$2,031,206.09	

Danville Has \$250,000 Improvements in View

DANVILLE, Va., March 18.—Municipal improvements representing an investment of over a quarter of a million dollars are in immediate view in Danville.

Contracts have been let to the R. M. Hudson Company for the improvement of city streets during the current fiscal year totaling \$100,000 and the council is on the verge of voting \$100,000 bonds to provide for the doubling of the capacity of the municipal electric power plant which is now carrying its full load.

The money for the city streets is provided by the \$300,000 bond issue voted two years ago. Part of the program was carried out during the past summer and as soon as the winter breaks, work will be commenced on the remainder of the street paving program.

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# MONEY—TRADE

Philippine Islands. Empire of Riches. Abandoned by U. S. Europe's Progress.

By GEORGE W. BENMAN.

CHICAGO, March 18.—Americans are an extravagant nation. Even in the hardest times they are reckless in handling their possessions. Mr. Hoover says so every thirty days but even Mr. Hoover doesn't tell half the story.

By recent negotiations with other nations and the treaties now in the Senate, the Philippine Islands have been cut out from the United States, and left almost helpless within reach and influence of Japan and England. Even Senators who oppose the treaties seem to regard them as too trivial to be considered, either as to their present wealth or future development.

Only the politics of the islands appeals to the Washington Government. And so for curiosity of consideration. Yet, from a business viewpoint, any other country would regard such negligence as next door to commercial lunacy. Why?

Because here is a mine of natural wealth, resources and opportunity such as no other nation on earth would leave undeveloped.

The total wealth of these islands is nearly \$4,000,000,000. The forests alone cover the whole island of Luzon and a larger part of Mindanao—usable timber, and owned by the United States Government. On the 3,000 islands only one-tenth of the land is cultivated, and yet this cultivated land is worth nearly \$240,000,000.

Empire of Riches.

As Dewey said, the islands are an empire of riches. They are nearly as large as Great Britain and Ireland. They cover as much territory as Austria, Belgium, Holland, Switzerland, Latvia and Lithuania combined. They have as much undeveloped and undeveloped resources as all of them together. New Zealand is only a little larger. Saghalin only a third as large, and Formosa only one-third their size. Rather than lose New Zealand, England would fight the world, and her business men would support her in the war. Rather than give up Saghalin, Japan risks war with Russia. And as for Formosa, the Japanese would defy any power East or West to take the islands from them. Yet the American people, through their Government, seem willing to let their \$4,000,000,000 property, the Philippine Islands, slip away, pass within the reach and influence of foreign powers, and make little effort to retain this great commercial, industrial, and agricultural prize. But there is more to the story. American business, American Government, and the fate of the Philippines than is told by the foregoing figures.

Not only is this six-billion-dollar property left unprotected in our present negotiations with foreign nations, but on account of foolish laws and weak business policies at Washington this same property has been abandoned largely to the use and profit of foreigners in the last twenty years. On this subject the Bankers Economic Service makes a report in its latest bulletin.

European Capital Leads.

"The business of the islands is almost entirely in foreign hands," says the report. "European capital in the islands still outweighs American," and this condition is due to the fact that "foreign investors enjoy protection of their respective 'consulates,' while American investors 'enjoy no such protection.' In evidence, the report cites some of the figures already given. Passing of the dividend by Crucible Steel and the action of the Great Northern directors in deferring action has given the market a slight chill, but one which seems only temporary.

Foreign Trade and Exchange.

February export figures show a still further decline of our so-called favorable balance, the amount due us over and above our debts for the month's business falling off as compared with January. The month's excess of exports, however, was still \$4,000,000. Changes in our trade are

# Weekly Financial Review

By HENRY OLWE.

of Henry Olwe & Co., New York Bankers.

NEW YORK, March 18.—Notwithstanding the presence of a number of irritating elements in the legislative situation, financial conditions continue to be on the whole encouraging and optimistic. The most helpful development that we can see at the present time would be the ending of the bonus mandate, which is still present as a depressing factor. Testimony of Secretary Mellon and Governor Harding before the Ways and Means Committee during the past week has again emphasized the danger to be expected from the actual application of any bonus plan on the present basis. This warning is particularly noteworthy in view of the state of things described by the Controller of the Currency, who urged that banks, already overburdened with frozen loans, be given a better opportunity to recover and be freed of the charge which is still being pressed against them from practically compulsory discounting of "adjusted compensation certificates."

Gas Decision Confirmed.

The action of the Supreme Court in the case of the Brooklyn Union Gas Company, on March 15, fully confirmed the opinion of the lower court, and thus practically closed the case. The decision of a week earlier, and naturally led to a further upward movement in gas stocks. The relief effect of the gas decision upon other public utility shares is strikingly seen in some of the unlisted issues, where there has been marked increase of values resulting from confidence that better times are in store as a result of falling gas rates, and better assurance as to resumption of rates. Among the rails, the threat of a strike in the hard and soft coal regions has naturally affected some of them unfavorably, but in the majority of cases the improved attitude of public authorities, has tended to strengthen confidence and raise prices. It is still to be seen whether the Railroad Labor Board will be able to record reductions of pay which have been under consideration. Prospects, however, for the coming year seem to be improved by the apparently favorable outlook for a large acreage planted to staples and likely to give rise to heavy tonnage of freight.

Continued Growth of Production.

The continued increase in the total volume of output at the steel mills is reflected in the higher figures for ingot production and in reports of growth in the percentage of plant capacity at work in the principal districts. The fact that long continued, might, of course, cause a setback, but, as figures show, good advance stocks of fuel have been accumulated at many points. Better values for copper issues reflect the declining surplus supply and slightly increased price of the metal as well as the much enlarged demand for it in building and the better condition of export trade in that article. There has been a decided upward swing in the volume of building permits issued, over and above the increases already noted during the earlier weeks of the year. Productive capacity in automobiles, particularly in the truck branch of the business, is even more fully employed than heretofore, a fact which accounts for the better prices of motor shares. Equipment companies continue to keep far ahead of last year in their volume of orders, and are now reaping the practical back of normal. All this accounts for the showing of better earnings that is being made in a number of quarters. Passing of the dividend by Crucible Steel and the action of the Great Northern directors in deferring action has given the market a slight chill, but one which seems only temporary.

What is the market trend of 30 representative New York Curb Exchange stocks?

—What are the active stocks in the Oil group?

—The expected developments in Industrial stocks?

—In the Copper, Gold and Silver stocks?

—The dividend payers?

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